
FINANCIAL SERVICES REPUBLICAN MORNING CLIPS 4.8.2010

Wall Street Journal: "Greenspan Grilled Over Role in Financial Crisis ... Former Fed chief Alan Greenspan faced some of the toughest questioning yet about his role in the financial crisis at a hearing Wednesday marked by tense exchanges with a longtime foe."

Wall Street Journal: "FSA Fines Firms for Reporting Breaches ... Credit Suisse Group Inc. was fined £1.75 million (\$2.67 million) Thursday by the U.K. Financial Services Authority for failing to make accurate reports of about 40 million transactions, mostly U.K. stock trades."

Wall Street Journal: "Morgan Keegan and Its Onetime Star Kelsoe Charged by SEC ... James Kelsoe, once a star mutual-fund manager, was accused by the Securities and Exchange Commission of deliberately inflating the value of subprime securities in order to hide losses in his funds after the real-estate bubble burst."

Wall Street Journal: "Banks Winning When Investors Sue ... Banks are on a winning streak in their battle against investor lawsuits stemming from the financial crisis, a trend that is good news for firms accused of understating the risks of securities that tanked during the financial crisis."

Wall Street Journal: "Bernanke Says U.S. Should Tackle Debt ... Federal Reserve Chairman Ben Bernanke said Wednesday that huge U.S. budget deficits threaten the nation's long-term economic health and should be addressed soon."

Wall Street Journal: "Volcker on the VAT ... Kudos for candor to Paul Volcker, the former Federal Reserve Chairman and current White House economic adviser, for admitting what other Democrats also know but don't want to admit until after the November election: The political class is preparing to pass a European-style value-added tax."

Washington Post: "Federal Reserve Chairman Ben Bernanke sounds a warning on growing deficit ... Federal Reserve Chairman Ben S. Bernanke warned Wednesday that Americans may have to accept higher taxes or changes in cherished entitlements such as Medicare and Social Security if the nation is to avoid staggering budget deficits that threaten to choke off economic growth."

Washington Post: "Greenspan defends decisions before panel investigating crisis ... Former Federal Reserve chairman Alan Greenspan on Wednesday defended his stewardship of the U.S. economy in the run-up to the financial crisis, rebuffing accusations that regulatory and other failures by the Fed under his leadership were a major cause of the near-collapse of the financial system."

Washington Post: "SEC proposes tighter rules on securities that helped fuel financial crisis ... Federal regulators unveiled stricter rules Wednesday for a key source of funding for home, auto and credit-card loans that has been blamed for worsening the financial crisis by allowing trillions of dollars in risky investments to be sold around the world."

Washington Post: "Greenspan reflects on crisis, deflects blame ... Police in the Rayburn House Office Building had been planning an evacuation drill for Wednesday morning, but they called it off after realizing that it would interrupt Alan Greenspan's testimony to the commission investigating the financial meltdown."

Washington Post: "Obama administration vows to defend financial reform provisions in bill ... Obama administration

officials said Wednesday that they would fight efforts to weaken far-reaching Senate legislation that would overhaul the nation's financial regulatory system."

NY Times: "European Banks Keep Benchmark Rates Unchanged ... The two most important central banks in Europe left monetary policy unchanged Thursday, as expected, but investor attention was focused on Frankfurt and the degree to which the European Central Bank was prepared to extend support to Greece's beleaguered financial sector."

NY Times: "Bernanke Says Nation Must Take Action Soon to Shape Fiscal Future ... Ben S. Bernanke, the Federal Reserve chairman, warned Wednesday that an aging American population posed fiscal challenges for the United States."

NY Times: "S.E.C. Moves to Tighten Rules on Bonds Backed by Consumer Loans ... Credit rating agencies would lose their formal role in evaluating certain bonds backed by consumer loans, like home mortgages, under rules proposed on Wednesday by the Securities and Exchange Commission."

LA Times: "A path to unity on Iran sanctions ... Just a couple of months ago, Sino-American relations seemed to have hit bottom over a series of issues such as U.S. arms sales to Taiwan, President Obama's meeting with the Tibetan Dalai Lama and U.S. efforts to stem Iran's nuclear ambitions with U.N. sanctions."

USA Today: "Goldman Sachs denies betting against clients ... Goldman Sachs Group (GS) is denying that it bet against clients by selling them mortgage-backed securities while reducing its own exposure to such investments before the U.S. housing market crashed."

USA Today: "Bernanke: Economy is growing but we aren't out of the woods yet ... Problems in the housing market and high unemployment are the biggest economic challenges the U.S. faces, Federal Reserve Chairman Ben Bernanke said Wednesday."

USA Today: "Financial IEDs: SEC tries to defuse asset-backed securities ... Federal regulators proposed new, stricter rules Wednesday for asset-backed securities, the bundles of mortgages and other loans that helped spark the financial collapse in 2008 that nearly brought down the global financial system."

CNN Money: "Big banks poised for profit renaissance ... This earnings season, investors won't have the big banks to kick around anymore."